Norms for band width service provision

41. SHRI B.J. PANDA: Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether the Department of Telecommunications has issued final norms for band width service provision;

(b) if so, the details thereof; and

(c) the date from which the licence fees are prescribed under the norms?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR): (a) Yes, Sir.

(b) The datailed guidelines are in statement (*see* below).

(c) The licence fee is payable from the date of start of service.

Statement

Guidelines for Issue of Licence to Infrastructure Providers Category-II (*IP*-II)

The Infrastructure Providers Category-II (IP-II) are those Infrastructure Providers who lease rent out/sell end to end bandwidth i.e. digital transmission capacity capable to carry a message.

The following are the guidelines for issue of Licence for Infrastructure Providers Category I to be called IP-II.

1. The applicant must be an Indian company, registered under the Companies Act' 1956.

2. The applicant company shall submit the application in the prescribed Application form for grant of a licence for Infrastructure Provider Category-II (IP-II)

3. The foreign equity in the applicant company will not exceed 49% at any time during the entire licence period. Investment in the equity of the applicant company by an NR/OCB/international funding agencies will be counted towards its foreign equity. In this regard, the applicant company shall also submit a certificate from the

competent authority to the effect that total foreign equity in the applicant company does not exceed 49%.

4. The applicant company shall make its own arrangements of Right of Way (ROW) However, the Central Government will issue necessary notification on request bringing the IP-II licensees for the purpose of placing telegraph lines under Part III of the Indian Telegraph Act' 1885.

5. The applicant company shall submit Performance Bank Guarantee (PBG) of Rs. 100 crores before signing of the Licence Agreement for ensuring compliance of licence conditions including timely payment of licence fee and other dues/fees/royalty for use of spectrum/possesion of wireless telegraphy equipment in the prescribed Proforma given in the Draft Licence Agreement. Initially the PBG shall be valid for a period of two years and shall be renewed from time to time till the expiry of the licence, as directed by the Licensor.

6. The Licence Fee in the form of revenue share @ 10% plus contributions towards the Universal Service Obligations (USO) Fund with a total cap of 15% is payable.

Provided further that the fee / royalty for the use of spectrum and possession of wireless telegraphy equipment shall be separately payable as per the details and prescription of Wireless Planning and Co-ordination Wing. The fee/royalty for the use of spectrum/ possession of Wireless Telegraph Equipment depends upon many factors such as frequency, hop and link length, area of operation etc, the details may be obtained from Wireless Planning and Co-ordination Wing.

7. Change in the name of the applicant company or the licensee, as the case may be, shall be permitted in accordance with the Companies Act, 1956.

8. The application shall be decided so far as practicable, within 15 days of the submission of the application and the applicant company shall be informed accordingly. In case the applicant is found to be eligible for grant of licence for IP-II, the applicant shall be required to deposit the requisite fee and submit bank guarantee and

other documents within a period of three months from the date of the issue of the approval and the Licence Agreement shall be signed immediately failing which it will presumed that the applicant is no longer interested and the application will stand rejected.

9. In case the applicant is found to be not eligible for the grant of licence for IP-II, the applicant will be informed accordingly whereafter he can file a fresh application removing the deficiencies.

10. The licence for IP-II shall be issued on non-exclusive basis, for a period of 20 years, extendable if found expendient, by 10 years at one time, for leasing/selling/renting out end-to-end bandwidth within the territorial jurisdication of India.

11. Licence will be issued to the applicant without any restriction on the number of entrants in the area of IP-II.

12. The Licensee will lease/sell or rent out end-to-end bandwidth to the other Licensees of Telecom Services on mutually agreed terms and conditions subject to the restrictions issued by TRAI and TRAI Act, 1997. The copy of such agreements shall be submitted to the Central Government within 15 days of signing of a particular agreement.

13. The details terms and conditions applicable to the licence of IP-II Licence are given in the Draft Licence Agreement.

14. IP-II Licensee shall provide the infrastructure in a non-discriminatory manner.

15. The applicant company shall pay a processing fee alongwith the application of Rs. 10,000/- in the form of Demand Draft / Pay Order payable at New Delhi in the name of Pay and Accounts Officer (Headquarter) DOT and the same shall not be refunded for any reason whatsoever.

16. The application is to be submitted to the Section Officer, BS-1, Department of Telecommunications, Room No. 1119, Sanchar Bhavan, 20 Ashok Road, New Delhi-110 001.